

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 2324

SPONSOR: Senator Clary

SUBJECT: Florida Academic Improvement Trust Fund

DATE: April 11, 2003 REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Woodruff	O'Farrell	ED	Favorable
2.	_____	_____	AED	_____
3.	_____	_____	AP	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

## I. Summary:

The bill amends provisions of the Florida Academic Improvement Trust Fund matching grant program. The bill expands the list of approved uses of funds, creates a new distribution formula, changes the match ratio of state to private funds, and reduces the minimum amount of private funds that must be collected to participate in the matching program.

This bill substantially amends section 1011.765 of the Florida Statutes.

## II. Present Situation:

The matching grant program was established in 1996. It was allowed to sunset by the Legislature in 2000 without being funded. The Legislature reinstated the program by providing an appropriation in 2001. An amount of \$1.3 million was appropriated for a School District Matching Grants Program in Specific Appropriation 137A of the 2001-2002 General Appropriations Act. Proviso language directed that the funds were to be distributed as challenge grants for low performing students. The match was set at one-to-one with no in-kind contributions to be considered. The Consortium of Florida Education Foundations was specified as the fiscal agent and allowed a 5 percent administrative charge. Although funds were to be allocated and expended consistent with bills filed, the appropriation was not contingent upon passage of the bills. The bills did not become law.

Although the program was included in the Education Code rewrite of 2002, the proviso language associated with the matching grants program appropriation did not reference the statutory language in the 2002-2003 General Appropriations Act. Instead, Specific Appropriation 123A appropriated \$700,000 with proviso language similar to the year before. The proviso language directed that the funds were to be distributed as challenge grants for programs that serve low

performing students. The match was set at one-to-one with no in-kind contributions to be considered. The Consortium of Florida Education Foundations was specified as the fiscal agent and allowed a 5 percent administrative charge. The appropriation was considered to be nonrecurring.

There are approximately 60 local education foundations plus the Florida School for the Deaf and the Blind Foundation. Not all of the foundations participate in the matching program in any given year. In fiscal year 2002-2003, the local educational foundations raised approximately \$21 million in private match. Only the \$700,000 of state funds was available toward match of these funds.

Funds are not included in the 2003-2004 Senate proposed budget for this program but were included in the Governor's Recommended Budget and are included in the House proposed budget at \$700,000.

Current statutes require any appropriation to initially be distributed equally among all local education foundations and held until April 1 for the local foundation to raise private funds. If a foundation does not match all of its reserved funds by that date, then any remaining unmatched funds are eligible to be matched by other foundations. The minimum amount a foundation must raise to participate in the program is set at \$4,500. The Department of Education is charged with allocating the funds.

The current statutory ratio for matching private donations is \$4 of state funds for each \$6 dollars of private funds which is different than the proviso match of one-to-one.

### **III. Effect of Proposed Changes:**

Classroom support is added to the list of approved expenditures for donations or state matching funds.

The Consortium of Florida Education Foundations is to distribute funds appropriated to the trust fund instead of the Department of Education.

The distribution formula is changed. Instead of reserving an equal amount of the appropriation for each district's foundation, each district's foundation will have 1 percent of the appropriation reserved for its matching funds, with any remaining funds distributed among foundations which have raised private matching funds, by unweighted FTE. The date is changed for distribution of any remaining unmatched funds from the one percent set-aside to January 15 instead of April 1.

The statutory ratio for matching private gifts is changed. The new ratio is \$1 of state funds for each \$1 of private funds. The old ratio was \$4 of state funds for each \$6 dollars of private funds. The minimum amount to be raised from private donations before a foundation may participate in the matching program is reduced from \$4,500 to \$2,500.

The effective date of the bill is July 1, 2003.

**IV. Constitutional Issues:****A. Municipality/County Mandates Restrictions:**

None.

**B. Public Records/Open Meetings Issues:**

None.

**C. Trust Funds Restrictions:**

None.

**V. Economic Impact and Fiscal Note:****A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

The bill may encourage private donations to local educational foundations.

**C. Government Sector Impact:**

To the extent private donations are received and matched by state dollars; the local educational foundation will generate additional resources for the school districts

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.